

NSC BRIEFING

25 March 1959

BLOC ARMS AND ECONOMIC AID TO IRAQ

1. Arms

USSR concluded an arms deal [REDACTED]

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[REDACTED] with Iraq in early November 1958.

- A. Although the agreement was concluded in Moscow, a preliminary deal was arranged by the Soviet ambassador and Qasim in Baghdad in October. Prior to the Soviet-Iraqi deal the UAR attempted to act as a middleman. Moscow, however, expressed its displeasure to Cairo, and UAR was carefully excluded from the Soviet-Iraqi agreement.

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II. Economic

USSR granted Iraq a 137½ million dollar credit under an economic and technical cooperation agreement concluded in Moscow on 16 March 1959.

- A. Credit, long-term and low-interest, to finance Soviet participation in about half of some 50 projects in new Iraqi development program.
- B. USSR to provide technical assistance for constructing industrial enterprises, including heavy engineering, chemical and food processing.
- C. Soviets also to survey for future expansion of irrigation systems and road nets and to prospect for minerals.